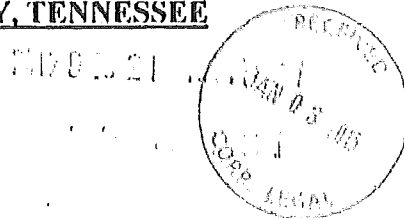


**IN THE CHANCERY COURT FOR KNOX COUNTY, TENNESSEE**

**FIRST FARRAGUT UNITED METHODIST CHURCH,** )  
 )  
 )  
**Plaintiff,** )  
 )  
 )  
**v.** )  
 )  
**SELECTIVE INSURANCE COMPANY OF AMERICA and SELECTIVE INSURANCE COMPANY OF THE SOUTHEAST,** )  
 )  
 )  
**Defendants.** )



No. 184410 - 2

**COMPLAINT**

First Farragut United Methodist Church, as plaintiff, submits this Complaint against Selective Insurance Company as follows:

**PARTIES**

1. First Farragut United Methodist Church ("FFUMC") is a religious organization organized pursuant to the Holston Conference of the United Methodist Church and located within the Oak Ridge District at 12733 Kingston Pike, Knoxville, Tennessee 37934.

2. Selective Insurance Company of America ("SICA") is an insurance provider licensed to do business in the State of Tennessee. Its principal place of business is located at 40 Wantage Avenue, Branchville, New Jersey 07890-1000. Pursuant to Rule 4.05(3), Tenn. R. Civ. P., SICA may be served with process through its Executive Vice President, General Counsel and Chief Compliance Officer, Michael Lanza.

3. Selective Insurance Company of the Southeast ("SICSE") is an insurance provider licensed to do business in the State of Tennessee. Its principal place of business is located at 3426 Toringdon Way Street, Charlotte, North Carolina 28277. Pursuant to Rule 4.05(3), Tenn.

R. Civ. P., SICSE may be served with process through its Executive Vice President, General Counsel and Chief Compliance Officer, Michael Lanza.

4. SICA and SICSE shall be referred to collectively as Defendants.

### FACTS

5. FFUMC purchased comprehensive insurance coverage, including property and casualty insurance ("Coverage"), from the Defendants to provide coverage for, among other things, property damage to the structures and buildings located at 12733 Kingston Pike, Knoxville, Tennessee 37934 ("Property"). The Defendants issued an insurance policy ("the Policy") which was in effect as of April 27, 2011.

6. On April 27, 2011, the Knoxville area suffered a major, catastrophic storm which included high winds, lightning, tornado activity, 3.5 inches of rain, and significant and widespread hail, including golf ball sized hail, and in some cases, softball sized hail. The hail storm lasted approximately 3 minutes, and as a result, hail covered 50-60% of the ground following the storm. The evening storm caused severe damage not only to infrastructure, such as roads and bridges, but widespread, significant damage to area homes and businesses. The severity of the storm has been clearly documented and reported both within and beyond the State of Tennessee.

7. FFUMC's Property was pummeled by hail during the storm, and the building and structures on the Property suffered significant structural damage to the roofing systems and heating and cooling systems ("HVAC systems").

8. The FFUMC Property is located on approximately 16 acres and, at the time of the damage, was less than 10 years old. The Property consists of four adjoining structures of brick and masonry construction with both pitched and flat roofing systems and is approximately 33,000 square feet.

9. The FFUMC Property's roofing system consists of a flat roof with mechanically attached 40 millimeter Duro-Last PVC membrane over a polyisocyanurate and metal decking as well as an architecturally pitched roof with 30 year architectural shingles.

10. The various roof sections of the Property comprised the following sections of 40 mil. Duro-Last comprising R1 of 1,728 square feet, R2 of 11,312 square feet, R2 of 7,658 square feet, R4 of 8,246 square feet and parapets of 5,800 square feet for a total square footage of Duro-Last membrane of 34,744 square feet.

11. The roof consists of flat roof with metal decking covered by Duro-Last membrane of approximately 4 inches thickness to 12 inches thick at the parapets. The parapets are approximately 3 foot to 8 foot high and 12 inches wide and finished from the flat roof with Duro-Last membrane and pre-formed metal flashing. The roof consisted of interior drains w/ roof overflow scuppers.

12. In addition, the HVAC systems are located both on the roof and attached to the Property. The HVAC systems, roof vents, vent fans, roof drains and scuppers suffered significant damage.

13. The various roof sections of the Property also included the following sections of architectural shingles, including sections R5 consisting of 2,508 square feet and R6 comprising 404 square feet for a total square feet of 2,912 of architectural shingles.

14. FFUMC promptly notified the Defendants of the damage to the Property and asserted a claim pursuant to the Coverage.

15. The Defendants were slow to respond to FFUMC's claim for damages to the Property, and the Defendants asserted that the visible damage caused by the hail was merely cosmetic in nature and did not impact the structural integrity of the vast majority of the roofing system and the HVAC system.

16. FFUMC obtained an estimate for repairs to the roof structure and related structures from FGG Enterprises. The estimate included equipment repairs and replacement of \$5,637.00, repairs and replacement to the asphalt shingle roof system of \$19,850.00 and repair and replacement to the flat roof system of \$218,200.00. See FGG Estimate attached as *Exhibit A*.

17. The Defendants asserted that the damage to the roof systems and equipment was merely cosmetic in nature and denied FFUMC's claim for damages to the flat roof system and equipment.

18. As a result, on July 21, 2011, David Sallas of FGG Enterprises retained the services of a Building Consultant, Macon E. Gooch III, to provide an evaluation as to the extent of the damage to the roof and HVAC systems of the Property ("Gooch Report"), attached as *Exhibit B*.

19. According to the Gooch Report, as well as the physical evidence clearly visible on the Property, there was extensive hail impact damage to both the membrane and shingled pitched roof systems, metal flashings, gutters, downspouts and vent fans.

20. The Gooch Report indicates that, as well as the physical evidence found, the integrity of the membrane roof was compromised by hail damage that results in shattering concentric circles and stress marks. The damage resulted in cracking and also roof leakage.

21. The roof manufacturer, Duro-Last, inspected the roof on October 3, 2011, and it found that the manufacturer's warranty was voided due to hail damage which compromised the watertight integrity of the roof membrane system. See October 11, 2011, letter attached as *Exhibit C*.

22. Notwithstanding, the Defendants continued to deny coverage for the damage to the Property. FFUMC wrote to the Defendants on October 27, 2011, detailing the efforts it

engaged in to act in good faith in making a claim pursuant to the Policy. *See* October 27, 2011, letter attached as *Exhibit D*.

23. The Defendants asserted that FFUMC could pursue an appraisal process pursuant to the language of their Coverage, and FFUMC did so.

24. The Policy provided that if FFUMC disagreed on the value of the property loss, it may make a written demand for an appraisal of the loss. If it did so, each party would select an appraiser and the two appraisers would select an umpire. The Policy provided that the appraisers will state separately the value of the property and loss, and if they fail to agree, they would submit their differences to the umpire.

25. Although the Policy provision provided that if two of the appraisers agreed, the decision would be binding, it also provided that the Defendants still retained the right to deny the claim.

26. FFUMC received a letter dated April 16, 2012 from Donan Engineering to act as umpire. *See* April 16, 2012, letter attached as *Exhibit E*. The letter indicated that the umpire would visit the site on April 18, 2012. However, the umpire did not visit the site on that date or any other date to FFUMC's knowledge.

27. The letter indicated that the Defendants retained Luke Sharara as their appraiser, and Corum Engineering was FFUMC's appraiser. FFUMC never received copies of any appraisals by either appraiser, and it was never contacted by the umpire, Donan Engineering, to perform a site inspection or otherwise evaluate the damage to the Property.

28. Shortly thereafter, FFUMC received an appraisal award signed by Luke Sharara on May 8, 2012, and Paul Ivie of Donan Engineering dated May 1, 2012, awarding FFUMC \$23,284.00, thus effectively denying any coverage for replacement of the flat roof system and related damaged structures. The Appraisal was handwritten and unreadable, and the Defendants

failed to provide any further explanation for the denial of FFUMC's claim for replacement of the flat roof system and related structures. A copy of the Appraisal is attached as *Exhibit F*.

29. Mr. Sharara and Mr. Ivie did not perform their obligations to make an evaluation of the roof system and provide an appraisal as provided by the Policy. On June 5, 2012, the Defendants issued a check in the amount of \$22,284.00. FFUMC refused to accept the amount.

30. In October of 2012, the Defendants cancelled the renewal of FFUMC's Policy for Coverage.

31. FFUMC continues to suffer damage as a result of the Defendants' refusal to provide for Coverage to repair and replace the flat roof system. FFUMC does not have adequate funds to replace the flat roof system absent payment by the Defendants according to the terms of the Policy, and due to the delay in providing for the repairs, the cost of doing so will likely increase from the original estimates. The Property continues to suffer additional damage including the risk of mold and mildew and water damage as a result of the Defendants' refusal to provide for coverage pursuant to the terms of the Policy.

32. It is common knowledge that virtually every roof of businesses and homes damaged as a result of the hail storm on April 27, 2011, were replaced and repaired. Yet, the Defendants continue to maintain that FFUMC's flat roof was not damaged beyond cosmetic nature, despite the engineering reports to the contrary and the fact that the roof manufacturer voided the warranty as a result of the hail damage.

#### **COUNT I - BREACH OF CONTRACT**

33. FFUMC re-alleges the claims in Paragraphs 1-32 of the Complaint.

34. The Defendants breached their obligations to pay for FFUMC's property and casualty losses which were the result of the significant storms on April 27, 2011.

35. FFUMC suffered damages as a direct and proximate result of the Defendants' refusal to provide Coverage pursuant to the Policy and provide for reimbursement in an amount to be determined at trial. In addition, FFUMC is entitled to its attorneys' fees as result of this action in an amount to be determined at trial.

**COUNT II - BREACH OF DUTY OF GOOD FAITH AND FAIR DEALING**

36. FFUMC re-alleges the claims in Paragraphs 1-35 of the Complaint.

37. The Defendants breached their contractual duty of good faith and fair dealing as a result of their failure and refusal to pay for the repair and replacement of the flat roof systems and related structures on the Property.

38. FFUMC has suffered damages as a direct and proximate result of the Defendants' breach of their contractual obligations of good faith and fair dealing.

WHEREFORE, First Farragut United Methodist Church prays for the following relief:

A. That process issue to each of the Defendants, and they be required to respond as provided in the Tennessee Rules of Civil Procedure;

B. That the Court find that the Defendants breached their contract with the Plaintiff;

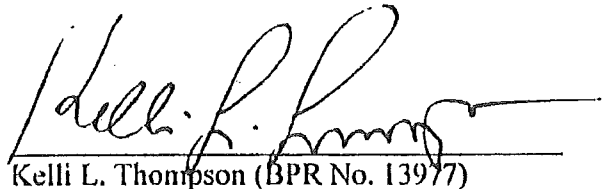
C. That the Court find that the Defendants breached their contractual obligation of good faith and fair dealing to the Plaintiff;

D. That the Court find that the Plaintiff has suffered damages as a direct and proximate result of the Defendants' actions;

E. That the Court find that the Plaintiff is entitled to damages in an amount to be determined at trial; and

F. That the Plaintiff be awarded any such further discretionary relief to which it may be entitled.

FILED this 21<sup>st</sup> day of December, 2012.



Kelli L. Thompson (BPR No. 13977)  
Attorney for Plaintiff  
First Farragut United Methodist Church

BAKER, DONELSON, BEARMAN,  
CALDWELL & BERKOWITZ  
265 Brookview Centre Way, Suite 600  
Knoxville, Tennessee 37919  
(865) 549-7000



**COST BOND**

We acknowledge ourselves sureties for costs in this cause.

BAKER, DONELSON, BEARMAN,  
CALDWELL & BERKOWITZ

By: \_\_\_\_\_



Proposal For: *David Sales*

First Farragut United Methodist Church  
11915 Kingston Pike  
Knoxville, TN

**Scope One: Repair to equipment**

1. Repair exterior insulation to Trane package units labeled RTU 10 and 11

This will be done by utilizing insulation on top of the existing insulation and coating all exterior portions of insulation with white sealant that is designed for exterior use.

2. Comb out condenser coils on Trane package unit RTU #4 and Mitsubishi brand split system MIU-1.
3. Replace the following covers to these exhaust fans  
EF-10 (Greenheck brand model # GB0904XQDR2)  
EF-11 (Greenheck brand model # GR1S-8-QD)  
EF-1 (Greenheck brand model # CUBE-300-20-6)  
EF-9 (Greenheck brand model # GBB14XQD)  
EF-12 (Greenheck brand model # GB0806X)  
Any further repairs to fans (example motors) not included

Cost for equipment repairs	\$5,637.00
----------------------------	------------

**Scope Two: Shingled Roofs Approximately 3,400 square feet**

1. Remove existing shingles and felt
2. Install Ice and Water Shield at edges
3. Install 30# felt
4. Install new drip edge
5. Install 30 year Dimensional shingles(color owners choice)
6. Install shingle over vented ridge cap
7. Install all needed flashing

Cost for shingled roofs	\$19,850.00
-------------------------	-------------

Total	\$25,487.00
-------	-------------

**EXHIBIT**  
**A**



**Proposal For:**

First Farragut United Methodist Church  
11915 Kingston Pike  
Knoxville, TN

*TPO roof 30 mil  
2nd gen*

*this is*

Scope One: Flat Roof Replacement Approximately 29,642 square feet *4th gen 60 mil*

1. Remove existing white roof membrane, leaving existing insulation in place.
2. Adhere with Olybond Insulation Adhesive; a 1'2" recover board over the existing Tapered ISO.
3. Fully adhere 60 Mil Firestone White TPO membrane, hot air weld all seams per manufacturer specifications.
4. Wall and curb flashing to be done to Firestone specifications.
5. Install Term Bars and Counterflashings at the walls and on the curbs.
6. Install walk pads at all AC units.
7. Furnish Firestone 10 year warranty.
8. Provide a two year Contractor warranty.

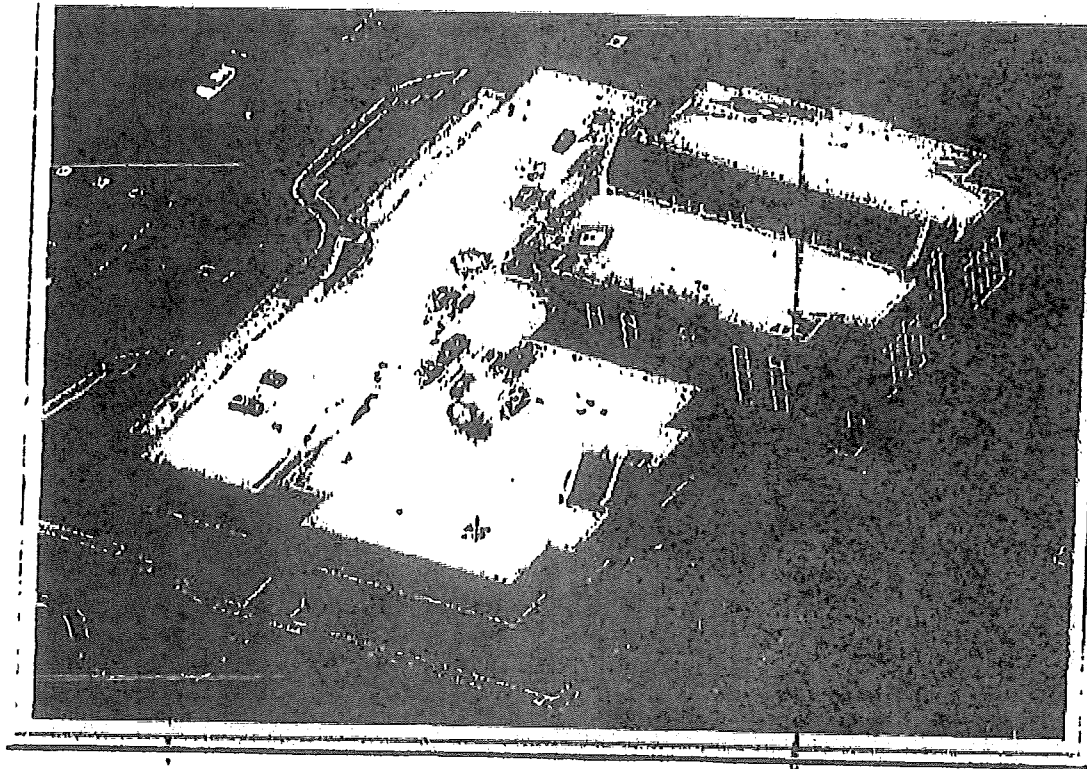
Base Price

\$218,200.00

*6 weeks after  
approval*

632 Grassland Drive • Maryville, Tennessee 37804  
865/233-0918 (Office) • 865/388-5720 (Cell) • 865/380-0055 (Fax)

Hall Damage Assessment  
For  
First Farragut United Methodist Church  
12733 Kingston Pike  
Knoxville, Tennessee  
August 2, 2011



Prepared By:  
Macon E. Gooch, III Building Consultants, Inc.  
752 Dacula Road, Suite C - Dacula, Georgia 30019  
(678) 442-1198 - [me@macongooch.com](mailto:me@macongooch.com)

EXHIBIT  
13

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-	Table of Contents -----	2
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C	Facility Description -----	4
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E	Existing Roof Systems -----	5
F	Roof Damage Assessment -----	7
G	Summary and Conclusions -----	11

### A. Executive Summary

On the evening of April 27, 2011, the First Farragut United Methodist Church in Knoxville, Tennessee was impacted by a very severe thunderstorm which contained golf ball to tennis ball sized hail stones. The hail pummeled the roof for approximately three minutes causing severe damage to all aspects of the roofing system and associated elements.

The existing roof system is a combination of a flat roof covered in mechanically attached 40 mil Duro-Last PVC membrane over tapered polyisocyanurate and metal decking and architectural pitched roof with 30 year architectural shingles. The quantities of roofing are as follows.

Section Desig.	Roofing Materials	Gross Area (SF)	Comments
R1	40 mil Duro-Last PVC Mechanically Applied Membrane	1,728	Area shown is horizontal area only and does not include parapet allowances
R2	40 mil Duro-Last PVC Mechanically Applied Membrane	11,312	Area shown is horizontal area only and does not include parapet allowances
R3	40 mil Duro-Last PVC Mechanically Applied Membrane	7,658	Area shown is horizontal area only and does not include parapet allowances
R4	40 mil Duro-Last PVC Mechanically Applied Membrane	8,246	Area shown is horizontal area only and does not include parapet allowances
Parapets	40 mil Duro-Last PVC Mechanically Applied Membrane	5,800	
	<b>Total Membrane</b>	<b>34,744</b>	
R5	30 Year Architectural Shingles	2,508	Area is the actual area covered by the shingles
R6	30 Year Architectural Shingles	404	Area is the actual area covered by the shingles
	<b>Total Shingles</b>	<b>2,912</b>	

The roofing materials have been damaged and the warranties voided due to the storm occurrence. To prevent rapid system deterioration and water intrusion leading to more extensive repairs, it is recommended that the entire roofing system be removed, replaced and repaired as necessary to fully restore the roofing system to its pre-storm condition.

### **B. Scope of Services**

On July 21, 2011, we were contacted by David Sallas of FGG Enterprises, to assess the roof damage to the First Farragut United Methodist Church located in Knoxville, Tennessee during a severe storm which occurred on the evening of April 27, 2011. The services are to include a visual assessment, photographic documentation, analysis of the roofing systems present and damage assessment, all presented in a report format suitable for presentation to the Church's insurance carrier.

### **C. Facility Description**

The First Farragut United Methodist Church is located in the Farragut suburban area on the western side of Knoxville, Tennessee. It fronts on the Kingston Pike and is approximately two miles east of the I-40/I-75 interchange. The church is situated on the south eastern side of a 16.39 acre tract acquired in 1999. The building complex, which is less than 10 years of age, consists of four adjoining buildings which are typically two story masonry and steel structures with full brick facades with a combination of both flat and pitched roofs. The building occupies a total footprint of approximately 33,000 square feet.

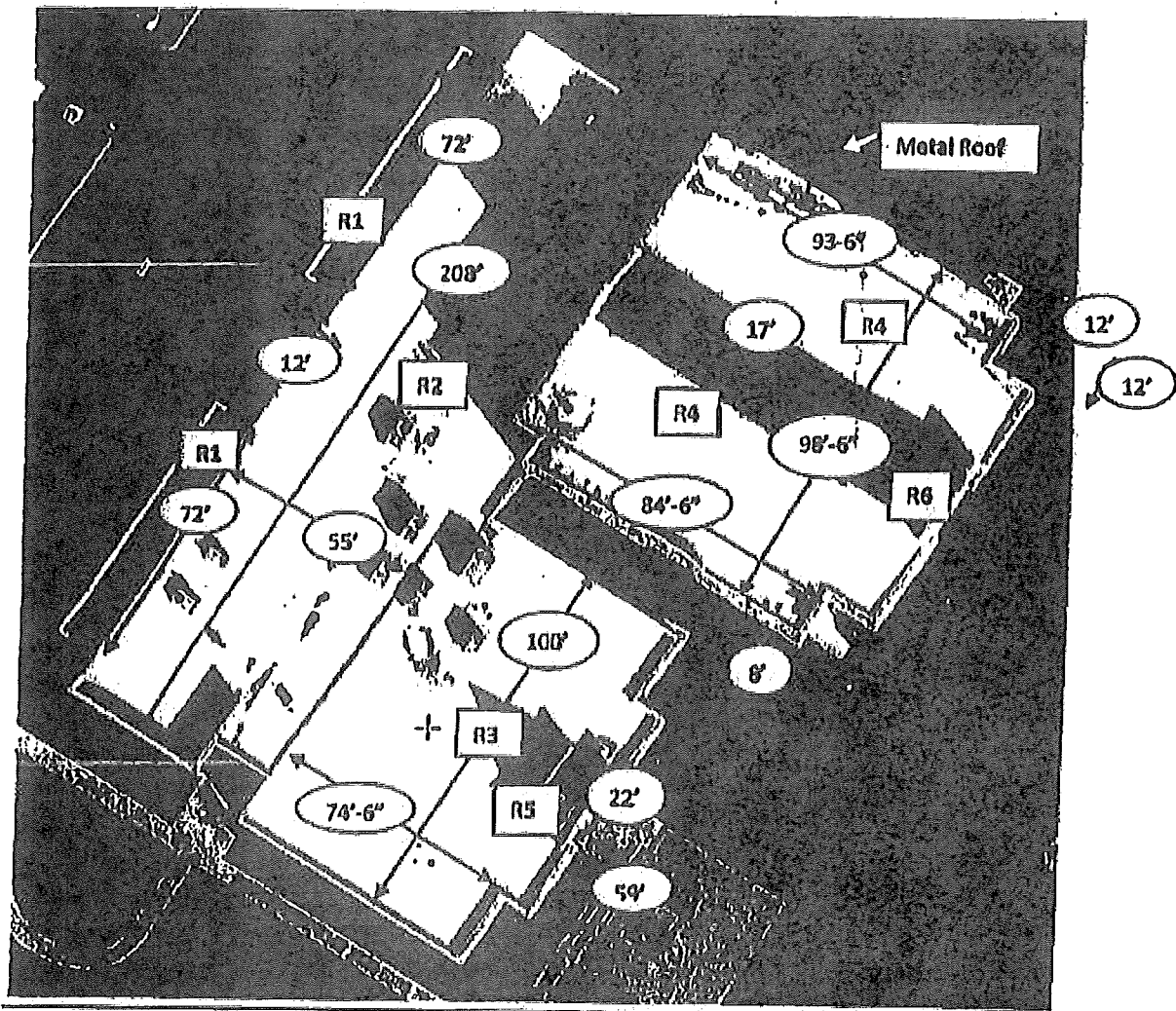
The flat roofs are at four different elevations and are surrounded by 3' high parapets. The pitched roofs are for architectural appearance and are located over the top of the main sanctuary and over the Kingston Pike entrance. The pitched roofs are on a 12:12 pitch and covered with a 30-year architectural shingle.

### **D. Description of Storm Event**

On the evening of April 27, 2011, Farragut was placed under a severe storm and tornado watch and subsequently hit by a series of severe thunder storms accompanied by high winds, frequent lightening, large hail and tornadic conditions around 9:00 PM. According to local news reports from eyewitnesses the hail varied from golf ball sized to tennis ball sized stones with some reports of softball sized hail in the area which lasted in excess of three minutes. Rainfall amounts exceeded 3.5 inches and the hail covered the ground with a coverage estimated to be between 50% and 65%. Numerous local structures in the immediate area have reported moderate to severe hail damage following this storm event.

### E. Existing Roof Systems:

The First Farragut United Methodist Church roof system consists of four levels of flat roof. These roofs are constructed with an underlayment of metal roof decking (upper level is all concrete decking) covered by a layer of tapered polyisocyanurate with a minimum thickness of 4" and a maximum thickness of 12" along the parapet wall. The roofing membrane is a 40 mil white PVC Duro-Last system. The parapets which are 3' to 8' high and 12" wide are finished with 40 mil Duro-Last membrane and preformed metal flashing components. The roofs utilized an interior drain system in combination with roof overflow scuppers.



**Aerial View of Church Roof System with Basic Dimensions and Section Designations**



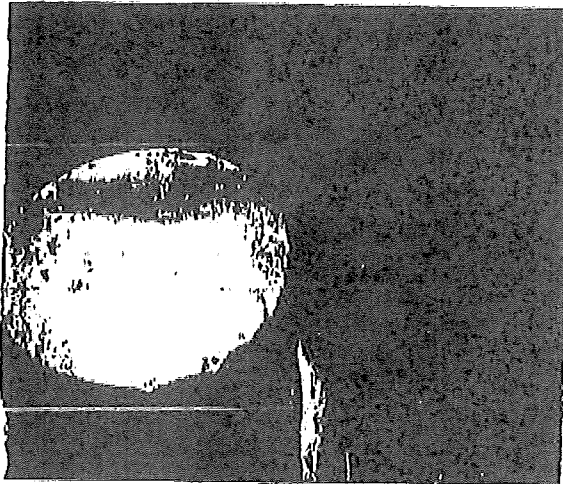
There are numerous roof penetrations for roof top HVAC units, plumbing vent stacks, vent fans, roof drains and scuppers. Examination of the original roof installation found that it had been properly installed and maintained.

As shown in the Aerial View above the roof has been divided into six sections designated as R-1 through R-6 based on elevation and roofing materials. The physical attributes of each of these sections is as follows:

Section Desig.	Roofing Materials	Gross Area (SF)	Comments
R1	40 mil Duro-Last PVC Mechanically Applied Membrane	1,728	Area shown is horizontal area only and does not include parapet allowances
R2	40 mil Duro-Last PVC Mechanically Applied Membrane	11,312	Area shown is horizontal area only and does not include parapet allowances
R3	40 mil Duro-Last PVC Mechanically Applied Membrane	7,658	Area shown is horizontal area only and does not include parapet allowances
R4	40 mil Duro-Last PVC Mechanically Applied Membrane	8,246	Area shown is horizontal area only and does not include parapet allowances
Parapets	40 mil Duro-Last PVC Mechanically Applied Membrane	3,800	
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	<b>Total Shingles</b>	<b>2,912</b>	

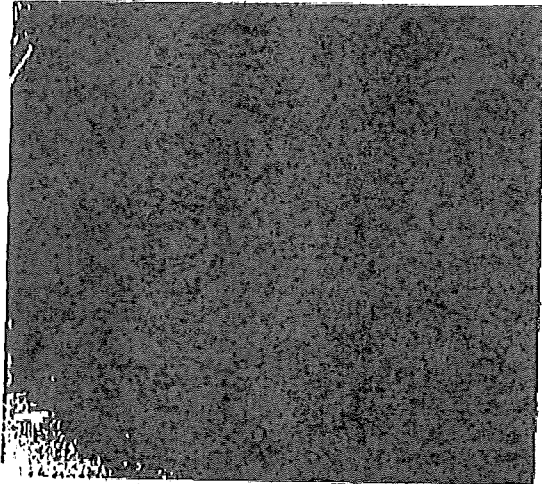
## **F. Roof Damage Assessment**

Examination of the roof system found extensive evidence of hail impact on both the flat and pitched portions of the roof along with extensive damage to the light metal flashings, gutters, downspouts and ventilation fans. This evidence is clearly depicted in the following photographs.

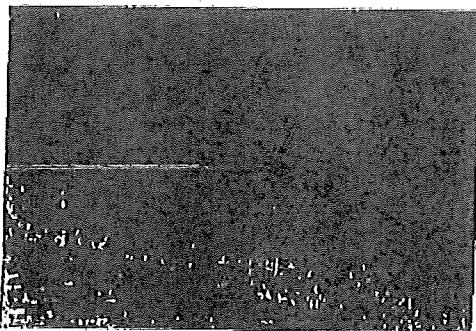


**Dimpled and Dented Ventilation Hood**

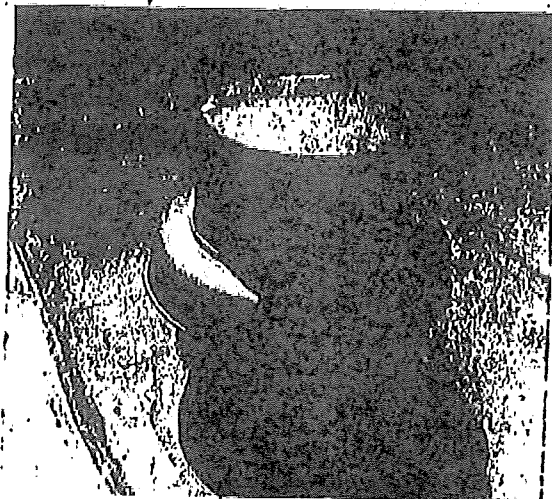
The Hail bent, dimpled and displaced the light metal components of the roof system which compromises their function allowing for the entrance of rain into the building envelope.



**Damage to Gutter and Downspouts**



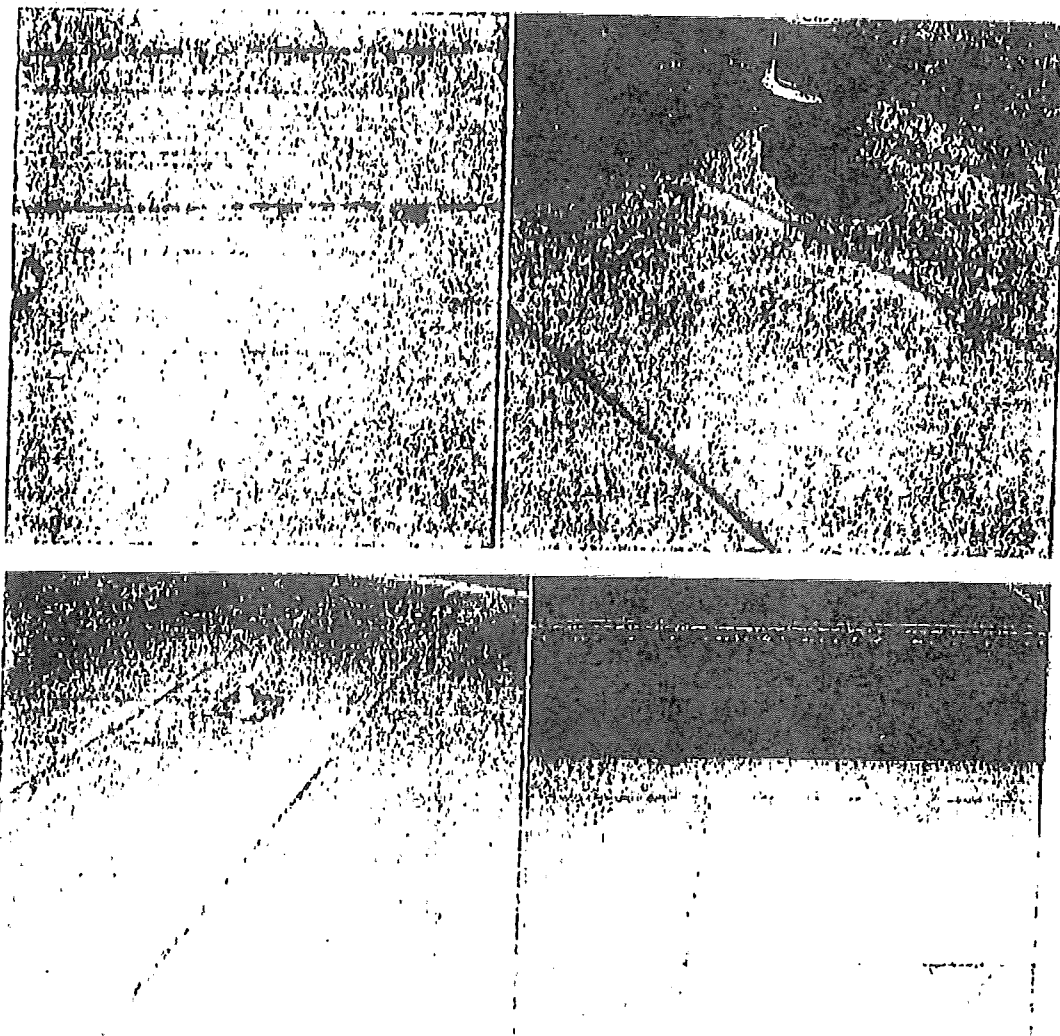
**Damaged Light Metal Flashing**

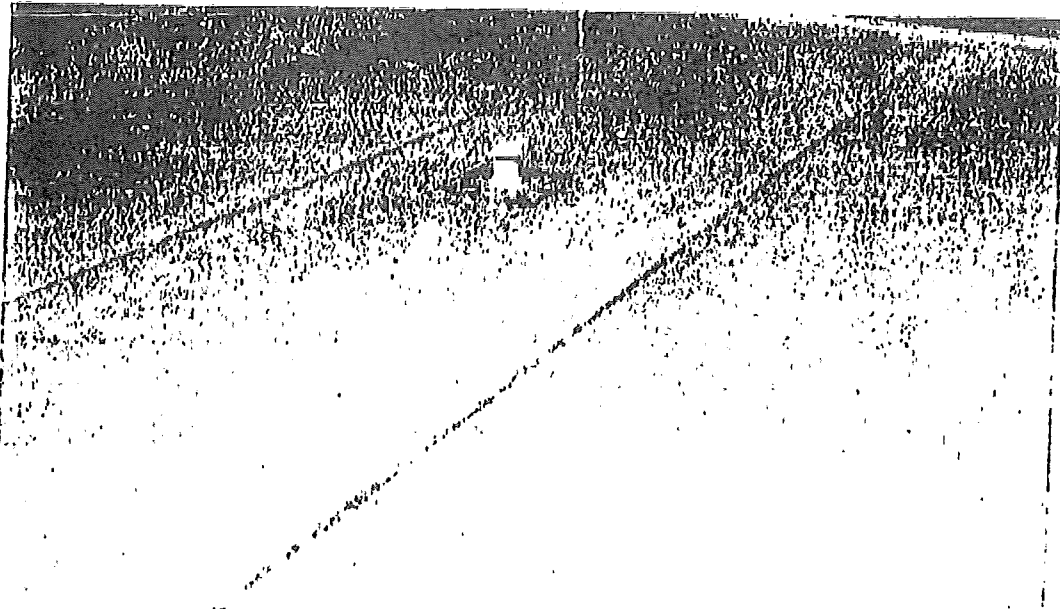
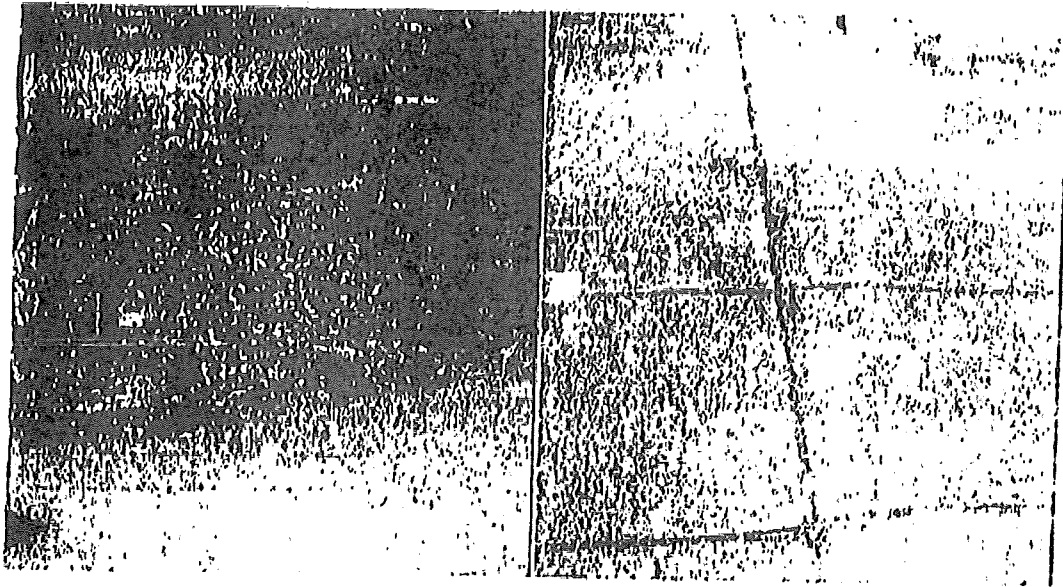


**Displaced and Dimpled Ventilation Hood**

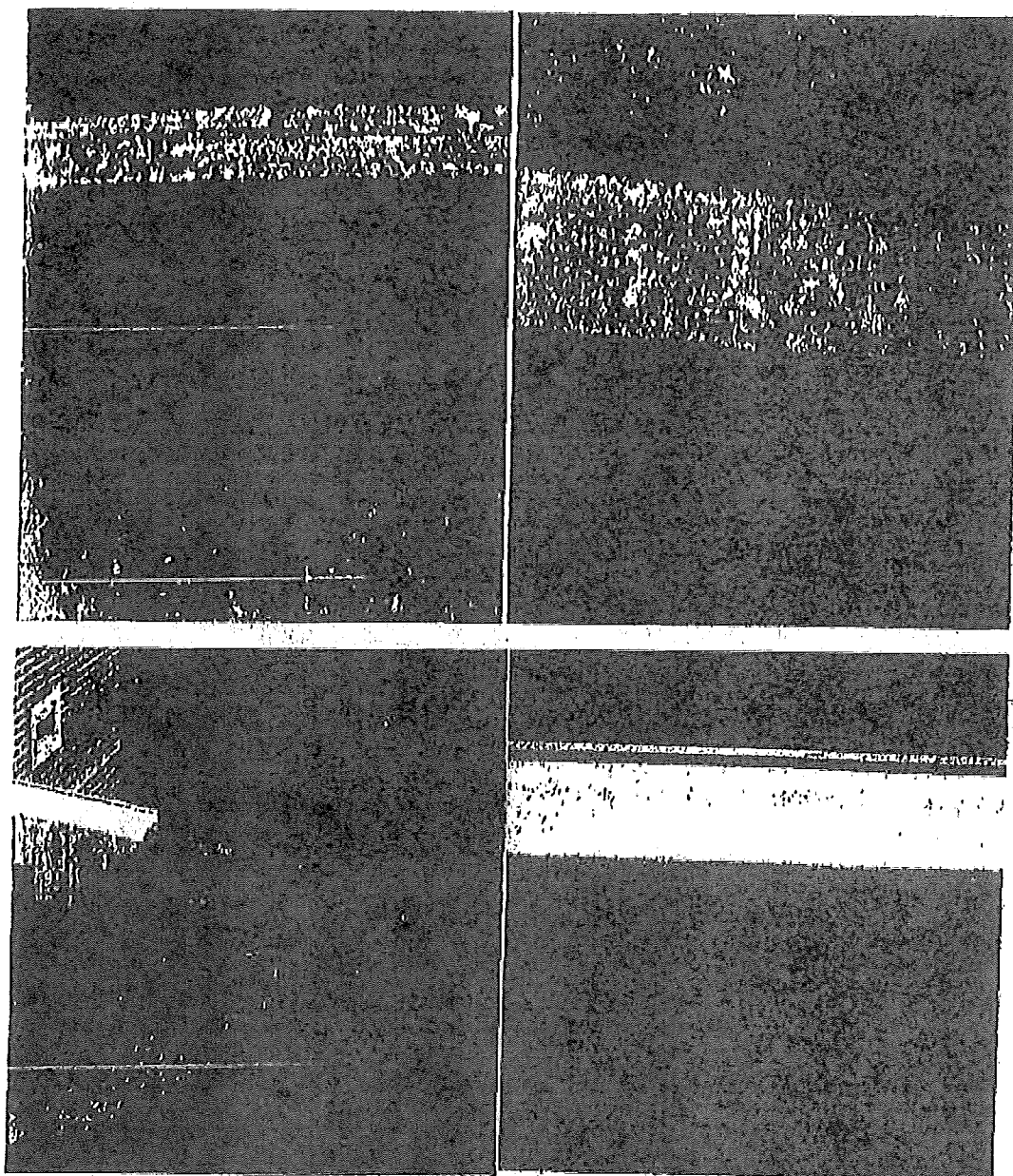
The hail has diminished the integrity of the membrane roofing materials due to the multiple impacts from the hail stones. When the hail stones impact the membrane which has become more

brittle over the ten years of its life, it shatters the membrane in a series of concentric circles that are often not readily visible to the naked eye. However, these stress marks weaken the membrane causing hairline cracking which worsen over time and always result in roof leakage. All manufacturers' warranties are voided when a membrane has been ravaged by hail due to this fact. The following photographs show the extensive magnitude of the hail strikes on the roofing membrane.





**In addition to the damage done to the flat roof membrane, the parapets were also severely damaged by the hail strikes as shown in the following photographs.**



**These few photographs clearly show that the hail damage is consistent throughout the roof system and that the damage must be repaired to prevent water intrusion into the building envelope which would lead not only to further structural damage but would likely cause mold and mildew development which could become an extreme danger to the health and safety of the building occupants.**

### G. Summary and Conclusions

The severe hail storm which impacted the First Parragut United Methodist Church in Knoxville, Tennessee on April 27, 2011 has resulted in extreme damage to all of the components of the roof system. In order to restore this roof to a pre-storm condition will require the removal and replacement of approximately 29,000 square feet of 40 mil PVC roofing membrane; 5,800 square feet of parapet membrane; 3,000 square feet of 30 year architectural shingles; light metal flashings and details and other associated and necessary elements as necessary to yield a complete, functional and warranted roofing system.

This repair and replacement program should be undertaken at the earliest date possible in order to preclude the intrusion of water into the building envelope which would lead quickly to structural and air quality problems.

Should you have any questions or comments concerning this report or inspection, please feel free to contact us at your convenience.



Very Truly Yours,

A handwritten signature in dark ink, appearing to read "Macon E. Gooch, III".

Macon E. Gooch, III

Georgia PE No. 8889



**DURO-  
LAST®  
Roofing, Inc.**

525 Morley Drive  
Saginaw, MI 48601  
(989) 753-6486  
(800) 248-0280  
FAX (989) 753-4472  
FAX (800) 432-9331  
www.duro-last.com

October 11, 2011

Mr. John Brewster  
First United Methodist  
12733 Kingston Pike  
Farragut, TN 37922

**SUBJECT:** First United Methodist (Warranty # MS 474255 and MS 485644)  
12733 Kingston Pike  
Farragut, TN 37922

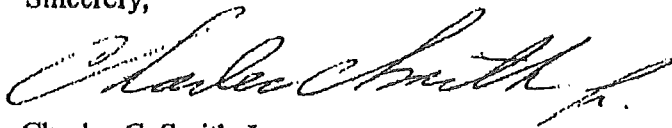
Dear Mr. Brewster:

On October 3, 2011, the above-referenced Duro-Last roofing system was examined by a Duro-Last technical representative. The examination revealed impact damage to the membrane that had been caused by hail. Hail damage is excluded from coverage under the Duro-Last warranty:

"Duro-Last, Inc., shall in no instance be held liable for any damages whatever arising from causes not fully within its control including among other such causes: (a) Damage caused by fire, lighting, hurricanes, gales, hail, tornadoes, floods, and earthquakes."

Once a roof has been damaged by hail, the watertight integrity of the membrane is compromised. Therefore, I respectfully suggest you contact your Duro-Last independent sales representative for a list of Duro-last authorized dealer/contractors who can assist you in replacing the damaged membrane. You may wish to check whether your insurance policy provides coverage for hail damage.

Sincerely,



Charles C. Smith, Jr.  
Quality Assurance Regional Manager

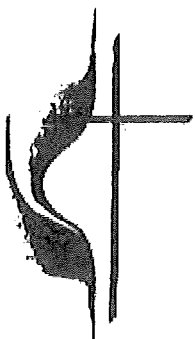
EXHIBIT  
C

je/gh

c: Lyn Davis-Duro-Last Independent Sales Representative, Mark Buckley-Sales Department, file

H:\WS Secretary\Territory 2- Charles\Building Owner Letters\Damage to the Membrane Not Warranty-Related\Hail Damage Letter\2011\First United Meth 10-11-11 MS474255MS485644.doc

Other Locations: Grants Pass, Oregon • Jackson, Mississippi • Sigourney, Iowa



# First Farragut United Methodist Church

12733 Kingston Pike  
Knoxville, TN 37934

ffumc@ffumc.org  
www.ffumc.org

Office (865) 966-8430  
Fax (865) 675-4435

October 27, 2011

To Ms Ashley Denman:

I understand that you would like to invoke the appraisal clause of our insurance policy and have stated to me in our telephone conversation on 10-27-11 that you would be using the services of your original appraiser. Please note the conclusions made by the professional engineer we employed and those of your appraisal. There is a gross disconnect in the findings, yet our report is considerable more concise and matches results found throughout the area by local businesses, homes and churches.

First Farragut United Methodist Church has acted in good faith through the process by making our claim, assisting the adjustor in examining the church roof, by securing the services of a very capable and knowledgeable general contractor as per your request, obtaining an extremely detailed report, 11 pages, by a professional engineer (enclosed) and quotes from reputable roofing companies. Finally, we have just received a report from the manufacturer, Duro-Last that states unequivocally that our roof was damaged beyond a doubt or repair. (Enclosed)

We understand that certain procedures may be required and we have done what has been asked of us in the endeavor. We now ask that Selective do what ought to be done by paying our rightful claim.

The violent hailstorm of April 22, 2011 is well documented by Doppler radar, local weather reports and is evidenced by the severe damage suffered by hundreds of homes, businesses, churches and vehicles. Please pay our claim promptly before we suffer further damage to our church.

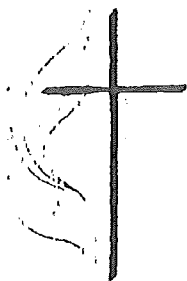
Sincerely,

Rev. John Brewster

J Kelly Clancy

EXHIBIT  
D





## First Farragut United Methodist Church

12733 Kingston Pike  
Knoxville, TN 37934

[ffumc@ffumc.org](mailto:ffumc@ffumc.org)  
[www.ffumc.org](http://www.ffumc.org)

Office (865) 968-8430  
Fax (865) 675-4435

10-27-2011

Attention Ms Ashley Denman:

In response to your letter written October 20, 2011, this is to serve as a written notice that First Farragut United Methodist Church would like to proceed with the appraisal process as outlined in the policy conditions.

We felt you were aware that this would be our course of action. We were waiting on the results of the roof manufacturer's report, which will be included in the letter sent to you with other enclosures.

Respectfully,

A handwritten signature in black ink, appearing to read "J. Kelly Clancy". The signature is fluid and cursive, with the first name "J." being a simple loop, and "Kelly" and "Clancy" written in a more elaborate, connected script.

J. Kelly Clancy

Chairman of Trustees First Farragut United Methodist Church

John G. Donan, Jr., P.E.  
Chairman of the Board

J. Lyle Donan, P.E.  
President



CORRESPOND TO:  
500 C Ambrose Avenue NW  
Knoxville, Tennessee 37921  
865-688-7220  
865-688-7276 fax

April 16, 2012

First Farragut United Methodist Church  
12733 Kingston Pike  
Knoxville, Tennessee 37934

Selective Insurance  
533 Church Street, #361  
Nashville, Tennessee 37219

RE: Umpire proposal for Appraisal Project  
Loss Location: 12733 Kingston Pike, Knoxville, Tennessee 37934  
Claim Number: 21088700  
Date of Loss: Not available

This proposal is for service that will be provided as the umpire for the above project. The scope of work, or disputed items, is to determine the extent of damage to the roof membrane from hail impact and the repairability of the membrane. The appraisers for this project will be:

Insurance Company Appraiser:  
Lokman M. "Luke" Sharara, P.E.  
District Manager  
Rimkus Consulting Group, Inc.  
2630 Elm Hill Pike, Suite 130  
Nashville, TN 37214

Insured Appraiser:  
Ron Corum  
Corum Engineering  
865-686-1663

The cost estimate for this project consists of 8 hours of time (@\$145 per hour), mileage (@\$0.75/mile), and reimbursement of out-of-pocket expenses. The total cost estimate is \$1350. Each party is responsible for one-half of the invoice, which is \$675.

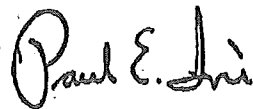
EXHIBIT  
E

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FORENSIC ENGINEERING & FIRE INVESTIGATION  
800-482-8611  
www.donan.com

Payment should be submitted on or prior to commencement of the site visit which is scheduled for Wednesday, April 18, 2012, at 1:00 pm.

Sincerely,  
DONAN ENGINEERING CO., INC.



PAUL E. IVIE, P.E.  
SENIOR FORENSIC ENGINEER

Cc: First Farragut United Methodist Church  
Selective Insurance  
Lokman M. "Luke" Sharara, P.E.  
Ron Corum



# APPRAISAL AWARD

Insurance Company

Name: SELECTIVE INS. CO.  
 Street: 533 CHURCH ST. #361  
 City: KNOXVILLE, TN 37219

Insured

Name: First Presbyterian Church Methodist (United)  
 Street: 12733 Kingston Pike  
 City: KNOXVILLE, TN 37934

Policy No: \_\_\_\_\_

Claim No: 21088700

Loss Date: 4/27/11

Cause: HAIL

(Wind, Hail, Fire, etc.)

Property Description/Address: 12733 KINGSTON PIKE, KNOXVILLE, TN

This acknowledges PAUL C. TWE has been appointed to act as umpire in accord with the policy conditions.

Witness our hands:

Date: 4/10/12

Appraiser: \_\_\_\_\_

Date: 4/18/12

Appraiser: \_\_\_\_\_

ITEM	Loss Replacement Cost	Loss Actual Cash Value
1. Remove and replace asphalt composition		
2. Shingles, PVC, vent caps, and gut		
3. Installation remove and replace		
4. Section of PVC roof to child affect		
5. Complete first floor interior, roof protection, and exterior siding, heating, and plumbing in the upper level and ALL included.	<u>\$23,264</u>	<u>\$23,264</u>

Replacement cost of building(s) if requested: Not applicable

CLARIFICATIONS IF ANY: Amount to be deducted from last payment made on this claim should be deducted from this payment. These amounts reflect the cost of work to restore the roof and roof accessories of the property to their pre-storm conditions.

We certify that we have conscientiously and impartially performed the duties assigned to us in accord with the appraisal provisions of the policy and do hereby award the amounts established above for the described loss.

Witness our hands:

Date: 5/8/12

Appraiser: \_\_\_\_\_

Date: \_\_\_\_\_

Appraiser

Date: 5/1/12

Appraiser: \_\_\_\_\_

Appraiser

(A minimum of two signatures required)

Umpire

**EXHIBIT**  
F

State: IN Re: Insured: FIRST FARRMOUT  
Location of Loss: 12733 Kingston Pike  
Knoxville  
Date of Loss: 04/27/2011  
Claim#: 21088700

#### DECLARATION OF APPRAISERS

We, the undersigned, do solemnly swear that we will act with strict impartiality in making an appraisal of the replacement cost value and the actual cash value upon the property hereinbefore mentioned, in accordance with the foregoing appointment, and that we will make a true, just and conscientious aware of the same, according to the best of our knowledge, skill and judgment. We are not related to the insured either as creditors or otherwise, and are not interested in said property or the insurance thereon.

#### SELECTION OF UMPIRE

We, the undersigned, hereby select and appoint Paul Olive of Donan Engineering to act as Umpire to settle any matters of difference that shall exist between us, if any, by reason of and in compliance with the insurance policy and appointment.

Insured Appraiser: Ron Corum Signature: [Signature] Date: 4/18/12  
(Print Name) (Sign Name)

Insurance Co. Appraiser: Luke Sharara Signature: [Signature] Date: 11/01/2011  
(Print Name) (Sign Name)

#### QUALIFICATION AND ACCEPTANCE OF UMPIRE

I, the undersigned, hereby accept the appointment of Umpire, as provided in the foregoing agreement, and solemnly swear that I will act with impartiality in all matters of difference that shall be submitted to me in connection with this appointment, and I will make a true, just and conscientious determination regarding the amount of loss under the policy, according to the best of my knowledge, skill and judgment. I am not related to either of the appraisers or the insured, and I am not financially interested as a creditor or otherwise, in the property listed below or in any insurance, which might apply to cover any part or all of the loss.

Umpire: Donan Engineering Signature: [Signature] Date: 4/18/12  
(Print Name) (Sign Name)  
Paul Olive

# APPRAISAL AWARD

Insurance Company  
 Name: SELECTIVE INS. CO.  
 Street: 373 CUMBER ST. #361  
 City: KNOXVILLE, TN 37219

Insured  
 Name: FRANK CARPAGNAT LANE'S MEADOWS COUNTRY  
 Street: 12733 KINGSTON PIKE  
 City: KNOXVILLE, TN 37934

Policy No: \_\_\_\_\_ Claim No: 21088700

Loss Date: 4/27/11 Cause: HAIL  
 (Wind, Hail, Fire, etc.)

Property Description/Address: 12733 KINGSTON PIKE, KNOXVILLE, TN

This acknowledges PAUL C. TAYLOR has been appointed to act as appraiser in accord with the policy conditions.

Witness our hands:

Date: 4/10/12 Appraiser: [Signature]  
 Date: 4/18/12 Appraiser: [Signature]

ITEM	Loss Replacement Cost	Loss Actual Cash Value
1. Remove and replace asphalt composition		
2. Shingles, PVC, wood, cypress, and other		
3. Removal of debris, removal and replace		
4. Removal of PVC roof to address affected		
5. Removal of PVC, debris, removal, roof		
protection and material delivery, handling,		
and cleanup at the upper level, etc. All		
included.	<u>825,269</u>	<u>223,284</u>

Replacement cost of building(s) if requested: Not applicable

CLARIFICATIONS IF ANY: Amount to be deducted from fact payments made on this claim should be collected from the amount. There are no collect the people of work to restore the roof and roof accessories of the property to pre-loss condition.

We certify that we have conscientiously and impartially performed the duties assigned to us in accord with the appraisal provisions of the policy and do hereby award the amounts established above for the described loss.

Witness our hands:

Date: 5/8/12 Appraiser: [Signature]  
 Date: \_\_\_\_\_ Appraiser: \_\_\_\_\_  
 Date: 5/1/12 Appraiser: [Signature]  
 (A minimum of two signatures required)

State: TN Re: Insured: FIRST FARRAGUT  
Location of Loss: 12733 Kingston Pike  
Knoxville  
Date of Loss: 04/27/2011  
Claim#: 21088700

#### DECLARATION OF APPRAISERS

We, the undersigned, do solemnly swear that we will act with strict impartiality in making an appraisal of the replacement cost value and the actual cash value upon the property hereinbefore mentioned, in accordance with the foregoing appointment, and that we will make a true, just and conscientious aware of the same, according to the best of our knowledge, skill and judgment. We are not related to the insured either as creditors or otherwise, and are not interested in said property or the insurance thereon.

#### SELECTION OF UMPIRE

We, the undersigned, hereby select and appoint Paul Olvie of Doran Engineering to act as Umpire to settle any matters of difference that shall exist between us, if any, by reason of and in compliance with the insurance policy and appointment.

Insured Appraiser: Ron Corum Signature: [Signature] Date: 4/18/12  
(Print Name) (Sign Name)

Insurance Co. Appraiser: Luke Sharara Signature: [Signature] Date: 11/01/2011  
(Print Name) (Sign Name)

#### QUALIFICATION AND ACCEPTANCE OF UMPIRE

I, the undersigned, hereby accept the appointment of Umpire, as provided in the foregoing agreement, and solemnly swear that I will act with impartiality in all matters of difference that shall be submitted to me in connection with this appointment, and I will make a true, just and conscientious determination regarding the amount of loss under the policy, according to the best of my knowledge, skill and judgment. I am not related to either of the appraisers or the insured, and I am not financially interested as a creditor or otherwise, in the property listed below or in any insurance, which might apply to cover any part or all of the loss.

Umpire: Doran Engineering Signature: [Signature] Date: 4/18/12  
(Print Name) (Sign Name)  
Paul Olvie

**APPRAISAL AWARD**

**Insurance Company**

Name: SELECTIVE INS. CO.  
Street: 577 CHURCH ST. #361  
City: NASHVILLE, TN 37219

**Insured**

Name: FIRST FARGARUT UNITED METHODIST CHURCH  
Street: 12733 KINGSTON PIKE  
City: KNOXVILLE, TN 37934

Policy No: \_\_\_\_\_ Claim No: 21080700

Loss Date: 4/27/11 Cause: HALL  
(Wind, Hail, Fire, etc.)

Property Description/Address: 12733 KINGSTON PIKE, KNOXVILLE, TN

This acknowledges PAUL E. IVIE has been appointed  
to act as umpire in accord with the policy conditions.

Witness our hands:

Date: 4/10/12 Appraiser: [Signature]  
Date: 4/18/12 Appraiser: [Signature]

ITEM	Loss Replacement Cost	Loss Actual Cash Value
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
ALL	_____	_____

Replacement cost of building(s) if requested: \_\_\_\_\_

CLARIFICATIONS IF ANY: \_\_\_\_\_

We certify that we have conscientiously and impartially performed the duties assigned to us in accord with the appraisal provisions of the policy and do hereby award the amounts established above for the described loss.

Witness our hands:

Date: \_\_\_\_\_ Appraiser  
Date: \_\_\_\_\_ Appraiser  
Date: \_\_\_\_\_ Umpire

(A minimum of two signatures required)



State: TN Re: Insured: FIRST FARRAGUT  
Location of Loss: 12733 Kingston Pike  
Knoxville  
Date of Loss: 04/27/2011  
Claim#: 21088700

#### DECLARATION OF APPRAISERS

We, the undersigned, do solemnly swear that we will act with strict impartiality in making an appraisal of the replacement cost value and the actual cash value upon the property hereinbefore mentioned, in accordance with the foregoing appointment, and that we will make a true, just and conscientious aware of the same, according to the best of our knowledge, skill and judgment. We are not related to the insured either as creditors or otherwise, and are not interested in said property or the insurance thereon.

#### SELECTION OF UMPIRE

We, the undersigned, hereby select and appoint Paul Olive of Doran Engineering to act as Umpire to settle any matters of difference that shall exist between us, if any, by reason of and in compliance with the insurance policy and appointment.

Insured Appraiser: Ron Corum Signature: [Signature] Date: 4/18/12  
(Print Name) (Sign Name)  
Insurance Co. Appraiser: Luke Sharara Signature: [Signature] Date: 11/01/2011  
(Print Name) (Sign Name)

#### QUALIFICATION AND ACCEPTANCE OF UMPIRE

I, the undersigned, hereby accept the appointment of Umpire, as provided in the foregoing agreement, and solemnly swear that I will act with impartiality in all matters of difference that shall be submitted to me in connection with this appointment, and I will make a true, just and conscientious determination regarding the amount of loss under the policy, according to the best of my knowledge, skill and judgment. I am not related to either of the appraisers or the insured, and I am not financially interested as a creditor or otherwise, in the property listed below or in any insurance, which might apply to cover any part or all of the loss.

Umpire: Doran Engineering Signature: [Signature] Date: 4/18/12  
(Print Name) (Sign Name)  
Paul Olive